

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2024 REGULAR SESSION**

MEASURE

2024 BR NUMBER 1360

HOUSE BILL NUMBER 256 HCS1

TITLE AN ACT relating to the promotion of stronger homes to resist losses due to catastrophic weather events and making an appropriation therefor.

SPONSOR Representative Michael Sarge Pollock

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Department of Insurance

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED Strengthen
Kentucky Homes Program, Examination Expense Revolving Fund, Insurance Regulatory Trust Fund

FISCAL ESTIMATES	2023-2024	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			\$5,000,000	
EXPENDITURES			(\$5,000,000)	
NET EFFECT			\$0	

() indicates a decrease/negative

PURPOSE OF MEASURE: The purpose of this measure is to establish the Strengthen Kentucky Homes Program, which will provide financial grants to assist in reducing losses due to catastrophic wind and hail events with fortified construction standards. The bill also requires property insurance companies to provide premium discounts for properties that have received a qualifying certificate of compliance.

FISCAL EXPLANATION: The bill transfers \$5 million in Restricted Funds in fiscal year 2026 from the Department of Insurance into the Strengthen Kentucky Homes Program fund to implement and administer the program. The department is required to review premium discounts and rate reductions submitted by insurers, perform audits, and provide enforcement of the program, but has indicated this can be achieved with current staff levels. The commissioner is also required to seek and obtain grants from the federal government to supplement appropriations made to the fund.

DATA SOURCE(S): LRC Staff

PREPARER: Sara Rome **NOTE NUMBER:** 84 **REVIEW:** JB **DATE:** 2/26/2024